GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2681
ANSWERED ON:06.12.2001
ROYALTY RATE ON CRUDE OIL
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the royalty rate on crude oil has not been revised for a long time despite several representations from the Government of Gujarat;

(b) if so, the details thereof and the reasons for delay;

(c) whether the Government of Gujarat has urged the Union Government to revise the royalty rate; and

(d) if so, whether the Government propose to fix regular royalty rate and the time by which a final decision is likely to be taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MINIS` PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d) The rates of royalty are notified by Central Government in accordance with Oil Field (Regulation & Development) Act, 1948 and Petroleum & Natural Gas Rule, 1959, as amended from time to time.Royalty rate in respect of crude oil was formally notified last as Rs.481/Metric Tonne (MT) for the period 01.04.1990 to 31.03.1993.The royalty rate was thereafter fixed `on account` at Rs.528/MT for the period 1993-96.This was further revised `on account` to Rs.539.80/MT.The provisional rate of royalty was subsequently revised to Rs.578/MT w.e.f. 01.04.1996. The rate of royalty has subsequently been revised upward from time to time and it was last increased to Rs.850/MT w.e.f. 01.12.1999 on provisional/adhoc basis pending finalisation and notification of the final rate w.e.f. 01.04.1998. The State Government of Gujarat have been representing for revision of the rate of royalty on crude oil.Government had constituted a Committee to look into the matter and devise a new scheme of royalty. The Committee has submitted its Report on 26.11.2000, which is under examination.